

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED BY )  
THE OIL CONSERVATION DIVISION FOR THE )  
PURPOSE OF CONSIDERING: )

) CASE NO. 14,006

APPLICATION OF THE NEW MEXICO OIL )  
CONSERVATION DIVISION FOR A COMPLIANCE )  
ORDER AGAINST CHAPARRAL ENERGY, LLC )

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: DAVID K. BROOKS, Jr., Hearing Examiner

November 29th, 2007

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, DAVID K. BROOKS, Jr., Hearing Examiner, on Thursday, November 29th, 2007, at the New Mexico Energy, Minerals and Natural Resources Department, 1220 South Saint Francis Drive, Secretary's Conference Room, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

\* \* \*

STEVEN T. BRENNER, CCR  
(505) 989-9317

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## I N D E X

November 29th, 2007  
Examiner Hearing  
CASE NO. 14,006

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\* \* \*

## A P P E A R A N C E S

FOR THE APPLICANT:

SONNY SWAZO  
Assistant General Counsel  
Energy, Minerals and Natural Resources Department  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

\* \* \*

STEVEN T. BRENNER, CCR  
(505) 989-9317

1 WHEREUPON, the following proceedings were had at  
2 8:25 a.m.:

3 EXAMINER BROOKS: At this time we'll call Case  
4 Number 14,006, the Application of the New Mexico Oil  
5 Conservation Division for a compliance order against  
6 Chaparral Energy, LLC.

7 Call for appearances.

8 MR. SWAZO: Sonny Swazo for the Oil Conservation  
9 Division, Mr. Examiner.

10 Where would you like the parties to sit?

11 EXAMINER BROOKS: Well, I would think -- The  
12 witness is going to need to be over here. Somebody took  
13 the witness chair, but if you'll just move one of the other  
14 chairs over to the table for the witness, or the witness  
15 can just move his chair forward from where he was sitting  
16 before. Witness brings his own chair.

17 And you need to have the examining attorney over  
18 here next to the court reporter.

19 And if there are other appearances -- Is there  
20 anyone else appearing?

21 MR. SWAZO: Not on behalf of the Oil  
22 Conservation, Division, but --

23 MR. BROWN: I'm with Chaparral Energy.

24 EXAMINER BROOKS: And your name?

25 MR. BROWN: Ron Brown.

1 EXAMINER BROOKS: Okay. And are you going to  
2 testify?

3 MR. BROWN: I'm going to testify.

4 EXAMINER BROOKS: You have how many witnesses?

5 MR. BROWN: Just the one witness.

6 EXAMINER BROOKS: Just the one witness, okay.

7 Witnesses need to be sworn.

8 (Thereupon, the witnesses were sworn.)

9 MR. SWAZO: Mr. Examiner, I'm not sure if any  
10 other individuals need an exhibit list, but I can provide  
11 that, I do have extras.

12 EXAMINER BROOKS: Well, the court reporter needs  
13 one, and if you can provide -- if you have another set, you  
14 can provide it to the court reporter. If you don't -- and  
15 did you provide a set to the gentleman from Chaparral?

16 MR. SWAZO: Yes, I did, your Honor.

17 EXAMINER BROOKS: Okay. We'll let you have this  
18 one --

19 COURT REPORTER: Actually, I've got a set.

20 EXAMINER BROOKS: Oh, you've already got a set.  
21 Oh, okay. Well then, we have one extra set. I'll give  
22 that back to Mr. Swazo.

23 You may proceed, Mr. Swazo.

24 MR. SWAZO: Thank you, Mr. Hearing Examiner.

25 This case is about an operator that has not

1 completed or submitted a C-105 well completion report for  
2 the Roberts 13 001Y well in accordance with OCD Rule  
3 19.15.13.1105.

4 That rule states, Within 20 days following the  
5 completion or recompletion of any well, the operator shall  
6 file Form C-105 with the Division.

7 The well in this case was completed sometime in  
8 2006. According to operator's filed sundry notices and  
9 reports, the well was spud on May 18th, 2006, and the rig  
10 was released on May 23rd, 2006.

11 OCD learned of the well's existence and  
12 completion when OCD inspector Phil Hawkins inspected the  
13 well site on April 3rd, 2007. Inspector Hawkins observed  
14 the well to be drilled and active.

15 On July 12th, 2007, OCD sent operator a letter  
16 which informed operator that there was no well completion  
17 report for this well as required by Rule 1105. Operator  
18 was asked to submit a well completion report for this well  
19 by July 24th, 2007. OCD did not hear from operator, and  
20 operator did not file a well completion report as  
21 requested.

22 On August 8th, 2007, OCD sent operator a notice  
23 of violation, asking operator to contact OCD. Operator was  
24 informed that the violation was still continuing and needed  
25 to be corrected.

1           OCD did not hear from operator, and operator did  
2 not file a well completion report. OCD did not hear from  
3 operator until the Application in this case was filed.

4           In speaking with -- well, it's my understanding  
5 at this point, operator is representing that it intends to  
6 plug this well. And in any event, under Rule 1105, that  
7 rule requires operators to still file a well completion  
8 report, even if the well is a dry hole and the operator  
9 intends to plug the well.

10           Specifically, paragraph B of that rule states, In  
11 the case of a dry hole, a complete record of the well on  
12 Form C-105 with the above attachments shall accompany the  
13 notice of intention to plug the well unless previously  
14 filed. The plugging report will not be approved nor the  
15 bond released until this rule has been complied with.

16           What we are requesting in this case is, we are  
17 asking the Hearing -- asking you to find that operator  
18 knowingly and willfully violated Rule 1105. We are asking  
19 you to require operator file a C-105 well completion report  
20 by a date certain. And we are asking for the assessment of  
21 civil penalties for operator's knowing and willful  
22 violation of Rule 1105.

23           In this case we are asking for \$4000 in civil  
24 penalties. The amount is based on each month that operator  
25 withheld filing the C-105 well completion report after



1 being advised to do so in July, 2007.

2 And if you -- included in your exhibit packet is  
3 my affidavit of notice and publication -- and that's  
4 Exhibit Number 1 -- showing that I did provide Chaparral  
5 Energy, LLC, with notice of this hearing, and that the  
6 hearing was published in the *Artesia Daily Press*.

7 And with that, I'd like to begin.

8 EXAMINER BROOKS: Okay, you may proceed.

9 DANIEL SANCHEZ,

10 the witness herein, after having been first duly sworn upon  
11 his oath, was examined and testified as follows:

12 DIRECT EXAMINATION

13 BY MR. SWAZO:

14 Q. Would you please state your name for the record?

15 A. Daniel Sanchez.

16 Q. And Mr. Sanchez, with whom are you employed?

17 A. The New Mexico Oil Conservation Division.

18 Q. And what's your title with the New Mexico Oil  
19 Conservation Division?

20 A. I'm the compliance and enforcement manager.

21 Q. What do your job duties entail?

22 A. I supervise the four district offices of the OCD,  
23 Santa Fe, Artesia, Aztec and Hobbs, the Environmental  
24 Bureau here in Santa Fe. I'm the UIC program director, and  
25 I oversee compliance and enforcement cases.

1 Q. Do you know where this well is located within the  
2 state?

3 A. It's in Eddy County.

4 Q. And that's New Mexico?

5 A. Yes.

6 Q. And that would be one of the areas under your  
7 enforcement jurisdiction?

8 A. Yes.

9 Q. As part of your duties, have you reviewed the OCD  
10 records and the OCD well file for the Roberts 13 Number  
11 001Y well?

12 A. Yes, I have.

13 Q. Are those records kept by OCD in the normal  
14 course of business?

15 A. Yes, they are.

16 Q. Are those records available to the public at the  
17 OCD website?

18 A. Yes.

19 Q. Are any of the records documents filed by  
20 operators?

21 A. All those documents should be filed by the  
22 operator.

23 Q. When you reviewed the records, did you notice  
24 whether operator applied for a permit to drill the well?

25 A. Yes, they did.

1 Q. And I will draw your attention to Exhibit Number  
2 2. Can you identify that exhibit?

3 A. Yes, that's a Form C-101. That's the application  
4 for permit to drill.

5 Q. And who filed that?

6 A. Chaparral Energy.

7 Q. On what date did they file that?

8 A. May 24th, 2006.

9 Q. I will refer to this exhibit as an APD. Does the  
10 APD indicate when the well was spudded?

11 A. Yes, it does. That was May 18th, 2006.

12 Q. And on what date did OCD approve this  
13 application?

14 A. May 24th, '06.

15 Q. If you would turn to Exhibit Number 3, are you  
16 familiar with OCD Rule 19.15.13.1105?

17 A. Yes, I am.

18 Q. And would you identify this exhibit?

19 A. The exhibit is a copy of that rule, 1105, and  
20 that's a well completion or recompletion report and log,  
21 Form C-105.

22 Q. What does Rule 1105 require an operator to do  
23 after a well is completed?

24 A. Within 20 days of its completion, the operator is  
25 required to submit a C-105 to the District Office.

1 Q. And do you know at what point a well is  
2 considered completed?

3 A. Speaking to our Artesia district personnel, they  
4 consider it completed when the rig is released.

5 Q. Did operator file a well completion report within  
6 the 20 days required under the rule?

7 A. No, they didn't.

8 Q. Has operator filed the well completion report for  
9 this well?

10 A. Not as of today.

11 Q. Does Rule 1105 require anything in regards to a  
12 dry hole?

13 A. In the case of a dry hole, a C-105 is to be  
14 submitted along with the application for -- or the intent  
15 to plug the well.

16 Q. Have OCD inspectors inspected the well?

17 A. Yes, they have.

18 Q. Are such inspections documented?

19 A. Yes, they are.

20 Q. Does OCD keep records of the inspections?

21 A. Yes.

22 Q. Are the records made in the normal course of  
23 business?

24 A. Yes, they are.

25 Q. Was a record of OCD's inspection of this well

1 made?

2 A. Yes.

3 Q. And if I can have you turn to Exhibit Number 4 --

4 A. Okay.

5 Q. -- can you please identify the exhibit?

6 A. This is the well inspection history for the  
7 Roberts 13.

8 Q. What does the well inspection history show?

9 A. It gives the dates that an inspection took place.  
10 In this case, the first date was April 3rd of 2007, and  
11 there are notes on the inspection, and there's one where  
12 Mr. Hawkins wrote in where the well is drilled and active  
13 and the location is okay.

14 There were two other entries after that, both on  
15 the same date, July 12th, 2007, the first one showing that  
16 a review of the well file for this well shows no completion  
17 report or request for allowable as required by OCD Rule  
18 19.15.13.1105 and 1104.

19 And the second note from that day was that a road  
20 was too wet to get into the location, it looks like pumping  
21 unit has already been removed from the location.

22 Q. Did OCD do anything to get operator to comply  
23 with Rule 1105?

24 A. Yes, they were contacted and issued a letter of  
25 violation.

1 Q. And I will have you turn to Exhibit Number 5.  
2 Could you please identify that exhibit?

3 A. That is the letter of violation that went out on  
4 July 12th of '07 to Chaparral.

5 Q. And what's the purpose of a letter of violation?

6 A. It's to inform an operator that they may be in  
7 violation of a rule and that corrective action is required.

8 Q. Did the LOV in this case inform operator what it  
9 was required to do to come into compliance with Rule 1105?

10 A. Yes, it did, it informed them that the C-105 was  
11 overdue.

12 Q. Did it give them a date to correct the problem?

13 A. Yeah, they were given until July 24th, 12 days  
14 after the letter, to comply.

15 Q. Did OCD get a response from operator to this  
16 letter?

17 A. No, they didn't.

18 Q. Did operator file the C-105 well completion  
19 report for this well?

20 A. No.

21 Q. Did OCD do anything else to get the operator to  
22 comply with Rule 1105?

23 A. Yes, after they got not response to the letter of  
24 violation, a notice of violation was issued on August 8th  
25 of 2007, regarding the same issue.

1 Q. And I'll have you turn to Exhibit Number 6. Can  
2 you identify the exhibit?

3 A. That exhibit is the notice of violation that was  
4 issued to Chaparral, LLC, on August 8th of 2007.

5 Q. And who sent out that notice of violation?

6 A. I did.

7 Q. And was it sent certified letter?

8 A. Yes, it was.

9 Q. To which addresses?

10 A. There were two addresses that this went to.  
11 There was a Chaparral Energy, LLC, 701 Cedar Lake  
12 Boulevard, Oklahoma City, Oklahoma, and the other was care  
13 of Capital Document Services, 55 Old Santa Fe Trail, Second  
14 Floor, Santa Fe, New Mexico.

15 Q. Did the receipts come back returned?

16 A. Yes, we had one that returned and signed by  
17 someone that was from the Cedar Lake Boulevard, Oklahoma  
18 City, address, and it was signed by an Alishea Olinger, and  
19 the other address was return to sender, insufficient  
20 address, unable to forward.

21 Q. Did operator respond to this notice of violation?

22 A. No.

23 Q. Did operator file the C-105 well completion  
24 report for this well?

25 A. No.

1 Q. Did OCD take any further enforcement action?

2 A. Yes, we went ahead and requested this hearing.

3 Q. Have you ever spoken with anyone from Chaparral  
4 Energy about this violation?

5 A. Yes, a Mr. David Spencer. After the hearing was  
6 filed, we talked to Mr. Spencer on September 14th of '07.

7 Q. And what did he say?

8 A. He informed us that the well was going to be  
9 plugged and that the letters not being returned or  
10 responded to was something had just fallen through the  
11 cracks, that they were having personnel issues, and they  
12 felt that they didn't receive the letters at the  
13 appropriate office.

14 Q. And you said that this was after the Application  
15 had been filed in this case?

16 A. Yes.

17 Q. Now I will refer you to Exhibit 7, 8, 9 and 10.  
18 Can you please identify those exhibits?

19 A. Exhibit 7 is a C-103 notice of intent that was  
20 submitted on July 1st of '06. It was rejected because it  
21 didn't have any information on what the intent was for.

22 On Exhibit 8, that is a C-103 subsequent report  
23 of a casing and cement job that was submitted on October  
24 19th of '06.

25 Exhibit 9 is another C-103 subsequent report of



1 casing and cement job. It was a continuation of that one,  
2 and also submitted on October 19th.

3 And Exhibit Number 10 is a C-103 notice of intent  
4 to plug, and that was issued on October 1st of '07.

5 Q. If you'll go back to Exhibit Number 7, does that  
6 exhibit indicate when the well was spudded?

7 A. Yes, it does. It was spudded on May 18th, 2006.

8 Q. Does that exhibit indicate when the rig was  
9 released?

10 A. May 23rd, 2006.

11 Q. And that's a document that Chaparral submitted --

12 A. Yes.

13 Q. -- correct?

14 Who submitted Exhibits 7 through 10?

15 A. They were signed by Evelyn -- Evelyn Smith,  
16 although there's a different -- Chaparral submitted --  
17 there was a different signer on 8 and 9, a Traci Cornish,  
18 and on Exhibit 10 it was David Spencer.

19 Q. In this case the application -- in your  
20 application you were asking the Hearing Examiner to assess  
21 civil penalties. What penalty amount do you recommend?

22 A. We're recommending \$4000, based on \$1000 for each  
23 month that Chaparral failed to respond after the initial  
24 letter of violation went out.

25 Q. Are you requesting anything else with regard to

1 the C-105?

2 A. Well, a date certain for Chaparral to submit the  
3 C-105.

4 MR. SWAZO: At this time, Mr. Hearing Examiner, I  
5 don't have any further questions, but at this time I would  
6 make a motion to admit the exhibits.

7 EXAMINER BROOKS: Exhibits 1 through 10?

8 MR. SWAZO: That's correct.

9 EXAMINER BROOKS: I'm sorry, Mr. -- I didn't get  
10 your name.

11 MR. BROWN: Ron Brown.

12 EXAMINER BROOKS: Mr. Brown. Any objection to  
13 the exhibits, Mr. Brown?

14 MR. BROWN: No objection.

15 EXAMINER BROOKS: Exhibits 1 through 10 are  
16 admitted.

17 MR. SWAZO: With that, the Applicant would pass  
18 the witness.

19 EXAMINER BROOKS: Okay, Mr. Brown, do you wish to  
20 question Mr. Sanchez?

21 MR. BROWN: No, I don't.

22 EXAMINER BROOKS: Very good, witness may -- Well,  
23 witness may stand down and move back to your chair and let  
24 Mr. Brown take the chair closest to the court reporter.

25 MR. SWAZO: I don't have any further questions --

1 or no further witnesses, Mr. Hearing Examiner, and the  
2 Applicant rests its case.

3 EXAMINER BROOKS: Very good. Mr. Brown? Do you  
4 wish to make a statement, Mr. Brown?

5 MR. BROWN: I wish to make a statement, and I  
6 wish to turn in what thought was mailed in. I have a copy  
7 of the C-105.

8 EXAMINER BROOKS: Very good.

9 MR. BROWN: I only have two of them, but --

10 EXAMINER BROOKS: Okay.

11 MR. BROWN: -- I thought I had three, but somehow  
12 I only have two.

13 EXAMINER BROOKS: The rules require these to be  
14 filed in the District Office. I will let you work that out  
15 with --

16 MR. BROWN: Right.

17 EXAMINER BROOKS: -- Mr. Sanchez, though.

18 MR. BROWN: Right.

19 EXAMINER BROOKS: You may proceed.

20 RON BROWN,  
21 the witness herein, after having been first duly sworn upon  
22 his oath, testified as follows:

23 DIRECT TESTIMONY

24 BY MR BROWN:

25 MR. BROWN: I'm Ron Brown, the production

1 engineer for Chaparral. And I thought that David had filed  
2 the C-105.

3 EXAMINER BROOKS: And would that be Mr. Spencer?

4 THE WITNESS: Mr. Spencer, yes.

5 EXAMINER BROOKS: Okay, go ahead.

6 THE WITNESS: We found out after we got -- and we  
7 had received -- Alishea Olinger, our mail clerk, did sign  
8 for the letters, they were in our office, and they were in  
9 David's office. He had just misplaced them.

10 So you know, we're not here to contest that we  
11 did wrong. We're trying to -- His assistant was out at  
12 that time, and so some of the stuff didn't get done that we  
13 didn't -- we thought was being done.

14 He signed the C-105 on November 5th, and I  
15 thought he mailed it, but this is the copy that was in our  
16 file.

17 We have -- The other question on the lease was  
18 whether -- why we haven't already plugged the well by a  
19 certain length of time, the state gave us a length of time.

20 We have tried to plug the well, we have a  
21 contract with the plugger. We contacted five different  
22 plugging companies. This is the first one we can get  
23 available, and it will be plugged in mid-February.

24 And I have a copy of the plugging request here,  
25 if you want that -- I mean the plugging procedure --

1 EXAMINER BROOKS: Okay --

2 THE WITNESS: -- from the -- from the plugging  
3 company.

4 EXAMINER BROOKS: Would you mark that as an  
5 exhibit for us?

6 THE WITNESS: I left my pen in my briefcase.  
7 Sorry about that.

8 This would be Exhibit 11?

9 EXAMINER BROOKS: Well, mark it as Chaparral  
10 Exhibit 1.

11 THE WITNESS: Okay.

12 And each exhibit has a copy of the C-105 on it.

13 EXAMINER BROOKS: Okay, very good.

14 THE WITNESS: And give one to --

15 EXAMINER BROOKS: Give one to Mr. Swazo and one  
16 to me and one to the court reporter.

17 Okay, thank you.

18 THE WITNESS: There was also a question about the  
19 integrity of the well as far as protection of freshwater  
20 during this time of waiting until we got it plugged, so I'd  
21 present Exhibit 2, which is fluid level, showing that  
22 there's no -- you know, the fluid level in the well is  
23 three hundred -- or 3400 feet from the surface.

24 So that we're not damag- -- no possibility of  
25 damaging the fresh water while we wait for the plugging to

1 take place.

2 And I'll -- Exhibit 2.

3 And that's all I have, unless you have any  
4 questions.

5 EXAMINER BROOKS: Are you offering Exhibits 1 and  
6 2 in evidence?

7 THE WITNESS: Yes.

8 EXAMINER BROOKS: Any objection, Mr. Swazo?

9 MR. SWAZO: No objection.

10 EXAMINER BROOKS: Chaparral Exhibits 1 and 2 are  
11 admitted.

12 Do you have any questions for Mr. Brown, Mr.  
13 Swazo?

14 MR. SWAZO: I don't have any questions.

15 EXAMINATION

16 BY EXAMINER BROOKS:

17 Q. This casing that was set at 8890, it looks like  
18 that was the third string?

19 A. That is correct.

20 Q. And that -- was that the projected total depth of  
21 the well?

22 A. Yes, it was.

23 Q. And did you perforate it for production?

24 A. We perforated two different zones, and I pump  
25 test both of them noncommercially.

1 Q. Not a very good deal, have to set pipe and  
2 perforate to figure out you've got a dry hole.

3 A. That's true.

4 Q. Okay, I think that's all my -- Well, no, let me  
5 get the inspection -- the dates here.

6 Now I didn't understand for sure what you said  
7 about OCD Exhibit 5.

8 Did you receive OCD Exhibit 5, the letter of  
9 violation?

10 A. Yes.

11 Q. And when did you receive that?

12 A. Let me go back to that. It was received when it  
13 was sent --

14 Q. It's dated --

15 A. -- because we signed it in.

16 Q. OCD Exhibit 5 is dated July 12, 2007. Do you  
17 have any records from which you can ascertain when you  
18 received it?

19 A. The only record we would have is notice that our  
20 mail clerk signed it.

21 Q. Okay, the OCD Exhibit -- the postage receipt is  
22 attached to OCD Exhibit Number 6, which is the notice of  
23 violation.

24 A. Oh, okay.

25 Q. That's the second notice. And there does not

1 appear to be -- The date of delivery on the receipt is not  
2 filled in.

3 A. Yeah, I'm not aware of when we actually received  
4 it. We did find it in the office.

5 Q. Now you're talking about OCD Exhibit 5 or OCD  
6 Exhibit 6?

7 A. Both.

8 Q. Okay, so both of them were in the office --

9 A. Yes.

10 Q. -- at that time?

11 Now did you -- When did you first become aware of  
12 OCD Exhibit 5?

13 A. When the -- when we received notice of this  
14 hearing.

15 Q. Okay, and when did you first become aware of OCD  
16 Exhibit 6?

17 A. At that same time.

18 Q. And when would that have been? Do you remember  
19 the date?

20 A. It was in -- I was thinking it was in October,  
21 but I don't remember the exact date.

22 EXAMINER BROOKS: Very good. No further  
23 questions.

24 MR. SWAZO: I did have two questions.

25 EXAMINER BROOKS: Go ahead.



## CROSS-EXAMINATION

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BY MR. SWAZO:

Q. Mr. Brown, do you know what date the well was completed?

A. The well -- the well was completed on -- well, I released the service unit on 1-26-07, from testing the last zone.

Q. So the well was completed on January 26th, 2007?

A. That last zone, yes.

Q. And how come Chaparral did not file a C-105?

A. We thought he had. We changed -- Our engineering techs, up through doing the C-103s, were doing -- filing our New Mexico paperwork.

We merged, or bought another company in May -- actually bought it in -- and -- final close in May. And during that time they set up the new regulatory department to do the paperwork, which is David Spencer, and everything was turned over to him, and it just didn't get done.

Q. You said you thought he had done it. Who's "he"?

A. That's David Spencer.

Q. And it appears that Chaparral actually spudded the well before the APD was approved. Why was that?

A. This was a replacement well, the Roberts 1 13 set -- drilled out from under the conductor and lost the hole. It started washing out. We skidded the rig, had

1 verbal approval from the field inspector, and filed the  
2 paperwork. We skidded it on a weekend and started spudding  
3 and then filed the paperwork on Monday.

4 MR. SWAZO: I don't have any further questions.

5 EXAMINER BROOKS: Very good. If there's nothing  
6 further -- Did you have anything to add, Mr. --

7 THE WITNESS: No.

8 EXAMINER BROOKS: -- Brown?

9 Very good, if there's nothing further, Case  
10 Number 14,006 will be taken under advisement.

11 I would suggest you get together with Mr.  
12 Sanchez, Mr. Brown, and arrange to file the original C-105.

13 (Thereupon, these proceedings were concluded at  
14 8:55 a.m.)

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I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 14006  
heard by me on 11-29-2007  
David K. Bennett, Examiner  
Oil Conservation Division

## CERTIFICATE OF REPORTER

STATE OF NEW MEXICO    )  
                                  )   SS.  
COUNTY OF SANTA FE    )

I, Steven T. Brenner, Certified Court Reporter and Notary Public, HEREBY CERTIFY that the foregoing transcript of proceedings before the Oil Conservation Division was reported by me; that I transcribed my notes; and that the foregoing is a true and accurate record of the proceedings.

I FURTHER CERTIFY that I am not a relative or employee of any of the parties or attorneys involved in this matter and that I have no personal interest in the final disposition of this matter.

WITNESS MY HAND AND SEAL February 22nd, 2008.



STEVEN T. BRENNER  
CCR No. 7

My commission expires: October 16th, 2010